

# State of South Dakota

SEVENTY-EIGHTH SESSION  
LEGISLATIVE ASSEMBLY, 2003

564I0200

## SENATE BILL NO. 186

Introduced by: Senators Dempster, de Hueck, Koskan, and Symens and Representatives  
Adelstein, Begalka, Bradford, Koistinen, Teupel, and Van Gerpen

1 FOR AN ACT ENTITLED, An Act to impose an additional tax on certain alcoholic beverages  
2 and to distribute the revenue.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. There is hereby imposed upon manufacturers and wholesalers of alcoholic  
5 beverages a tax computed on distilled spirits, wine, and malt beverages purchased, received, or  
6 imported from a distiller, manufacturer, or foreign wholesaler for sale to a retail dealer. The tax  
7 rate for each type of alcoholic beverage is as follows:

8 (1) Upon distilled spirits as defined in subdivision 35-1-1(6), \$0.04 per ounce;

9 (2) Upon wine as defined in subdivision 35-1-1(25), \$0.011429 per ounce; and

10 (3) Upon malt beverage as defined in subdivision 35-1-1(8), \$0.003333 per ounce.

11 Section 2. The Department of Revenue shall administer the tax provided for in section 1 of  
12 this Act and shall conform to the administration of the occupational tax imposed under chapter  
13 35-5. The department shall prescribe forms and promulgate rules pursuant to chapter 1-26 for  
14 the making of returns and for the ascertainment, assessment, and collection of the tax. The  
15 department shall keep full and accurate records of all moneys received and distributed by the



1 department under this Act.

2 Section 3. All moneys received and collected by the Department of Revenue pursuant to  
3 section 2 of this Act shall be credited to a county law enforcement and criminal justice fund,  
4 which is established in the state treasury, and, after deducting the amount of refunds made and  
5 the amounts necessary to defray the direct cost of collecting the tax, shall be paid to the counties  
6 as provided in section 4 of this Act.

7 Section 4. Five percent of the payments from the county law enforcement and criminal justice  
8 fund created pursuant to section 3 of this Act shall be distributed to the county legal expenses  
9 relief fund created pursuant to chapter 7-16. Each county's share of the payments from the  
10 remaining ninety-five percent of the law enforcement and criminal justice fund shall be computed  
11 using the following factors:

- 12 (1) The percent of the total population of the state that resides in each county based on  
13 the most recent United States census; and  
14 (2) The percent of the true and full assessed value of the state associated with each  
15 county as determined by the Department of Revenue.

16 Each county's share of the payments from the remaining ninety-five percent of the county law  
17 enforcement and criminal justice fund shall be calculated by multiplying the average of the two  
18 factors by the available payment. However, no county in any year may receive more than the  
19 amount actually spent in the prior year on law enforcement and court related expenditures as  
20 reported by the Department of Legislative Audit.

21 Section 5. Payments shall be made to the counties from the county law enforcement and  
22 criminal justice fund quarterly as follows:

- 23 (1) January first, based upon tax revenues collected between July first and September  
24 thirtieth of the preceding year;

- 1       (2)    April first, based upon tax revenues collected between October first and December  
2            thirty-first of the preceding year;
- 3       (3)    July first, based upon tax revenues collected between January first and March thirty-  
4            first of the current year; and
- 5       (4)    October first, based upon tax revenues collected between April first and June thirtieth  
6            of the current year.

7       Section 6. The payments received by counties pursuant to sections 4 and 5 of this Act shall  
8   be deposited in a special law enforcement and criminal justice fund. The revenue shall be used  
9   only for alcohol abuse prevention and diversion programs, domestic violence programs, jails,  
10   detoxification, law enforcement, juvenile justice programs, attorney fees, court expenses, and  
11   other criminal justice expenses. The board of county commissioners shall, by resolution, establish  
12   a means of distributing the revenue among the county law enforcement, juvenile justice, and  
13   other qualifying agencies within the county.